

CHILDREN IN POVERTY

The percent of children in poverty is perhaps the most global and widely used indicator of child well-being. This is due, in part, to the fact that poverty is closely linked to a large number of undesirable outcomes in areas such as health, education, emotional well-being, and delinquency.

Between 1985 and 1993, there was a 10% decrease in the percent of children living in poverty in Tennessee. In 1985, the rate was 26.8% and the rate in 1993 was 24%.

The improvement in the child poverty rate reflects improvements in other economic indicators in Tennessee. Per capita income is higher, fewer children are getting AFDC, and there are fewer Tennesseans getting food stamps compared to the recent past. There has been a substantial 22.3% increase in the state's per capita income from 1990 (\$15,905) to 1994 (\$19,450). There has also been a 6.6% decrease in the percent of children who receive AFDC from 1992 (14.4%) to 1996 (13.5%). The percent of the population receiving food stamps declined 10.4% from 1992 (14%) to 1996 (12.5%).

Although this is all good news, keep in mind that Tennessee's child poverty rate in 1993 of 24% is higher than the national average of 21%. Tennessee ranks 40th worst nationally on this indicator, according to the 1996 national *Kids Count Data Book*.

An indicator of poverty which has not shown improvement is the percent of children receiving lunch at free or reduced prices. From 1992 to 1996, there has been a 9.6%

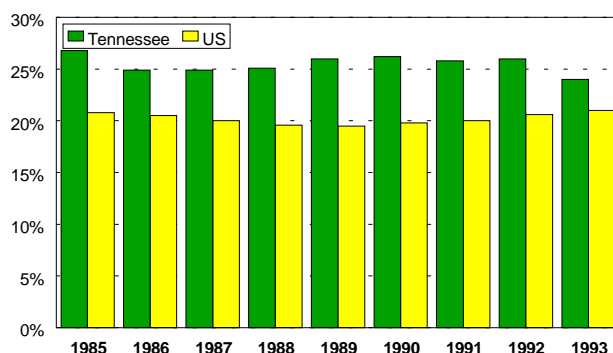
increase in the percent of children getting government-subsidized school lunches. In 1992, 31.1% of school children received free- or reduced-price lunches compared to 34.1% in 1996.

The growing number of children receiving government-subsidized lunches reveals a group that is overlooked in the discussion of poverty - the working poor. In Tennessee, 8% of Tennessee children lived in working poor families in 1993 - higher than the national average of 7.6%, as reported in the *Kids Count Data Book*. The *Data Book* defines working poor as the 5.6 million children in the U.S. "who had at least one parent working 50 or more weeks during the past year, yet failed to accumulate a total household income above the official poverty line. In 1994, the poverty standard for a family of three was \$11,821."

Two economic trends are responsible for the increase in the working poor, according to the *Data Book*: globalization of and advances in productive technology. "Together, these worldwide changes have dramatically altered the U.S. labor market, replacing growth in manufacturing and historically higher wage craft occupations with expansion in lower paying service-sector employment. At the same time, these forces have served to depress the real dollar value of most lower tier, entry-level wages. In the late 1960s, a young adult working a full-time job at minimum wage could keep a family out of poverty. In 1994, a household head working at a full-time minimum-wage job earned only 70% of

Percent of Children in Poverty

Nine-year Comparison Between Tennessee and U.S. Average



Source: Casey Foundation, (1996). Kids Count Data Book: State Profiles of Child Well-Being.